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November 4, 1999

Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street, S.W.
TW-A325
Washington, D.C. 20554

RE: CC Docket No. 96-115
CC Docket No. 99-273
FCC 99-227

Dear Ms. Salas:

Enclosed is the National Telephone Cooperative Association's Petition for Reconsideration regarding Telecommunications Carriers' Use of Customer Proprietary Network Information and Other Customer Information in the above -referenced dockets.

If you have any questions pertaining this matter, please contact me at (703) 351-2024.

Sincerely,

Gail C. Malloy

Enclosure

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Before the
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON D.C. 20554

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In the Matters of)	
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Implementation of the)	
Telecommunications Act of 1996)	CC Docket No. 96-115
)	
Telecommunications Carriers' Use of)	CC Docket No. 99-273
Customer Proprietary Network Information)	FCC 99-227
and Other Customer Information)	
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THE NATIONAL TELEPHONE COOPERATIVE ASSOCIATION'S
PETITION FOR RECONSIDERATION

National Telephone Cooperative Association
4121 Wilson Boulevard, Tenth Floor
Arlington, VA 22203-1801

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NOV - 4 1999

Before the
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matters of)

Implementation of the)
Telecommunications Act of 1996)

CC Docket No. 96-115

Telecommunications Carriers' Use of)
Customer Proprietary Network Information)
and Other Customer Information)

CC Docket No. 99-273
FCC 99-227

PETITION FOR RECONSIDERATION

Pursuant to 47 C.F.R. §1.429, the National Telephone Cooperative Association ("NTCA"),¹ hereby petitions the Federal Communications Commission ("FCC" or "Commission") to reconsider its Third Report and Order in the above-captioned proceeding and amend its rules to allow for a \$0.42 presumptively reasonable per subscriber list rate for small and rural telephone companies.²

I Introduction

Section 222(e) of the Communications Act of 1934, as amended, 47 U.S.C. 222(e), requires that carriers that provide telecommunications exchange service provide subscriber list information to requesting directory publishers "on a timely and unbundled basis, under

¹ NTCA is a national association of over 500 local exchange carriers that provide service primarily in rural areas. All NTCA members are small carriers that are defined as "rural telephone companies" in the Telecommunications Act of 1996 ("Act"). 47 U.S.C. § 151 *et. seq.* Approximately half of NTCA's members are organized as cooperatives.

² *In the Matters of Implementation of the Telecommunications Act of 1996 and Telecommunications Carriers' Use of Customer Proprietary Network Information and Other Customer Information*, CC Docket Nos. 96-115 and 99-273, FCC 99-227, Published in the Federal Register October 5, 1999, (Third Report and Order).

nondiscriminatory and reasonable rates, terms, and conditions.” On September 9, 1999, the FCC released its Third Report and Order, which concluded that subscriber list information rates “should allow LECs to recover their incremental costs of providing subscriber list information to directory publishers plus a reasonable allocation of common costs and overheads.” ¶ 92. The FCC, however, decided not to adopt an elaborate ratemaking process with respect to subscriber list information rates. Instead, the FCC decided to base its rates on information contained in five letters supplied by US West, Bell Atlantic, Ameritech, BellSouth, and Southwestern Bell Telephone Company. The average cost for these carriers was \$0.035 per listing. ¶¶ 93-96.

Without reference to the precise methodologies that the carriers used in determining their average costs, the Commission determined that \$0.04 per listing for base file subscriber list information and \$0.06 per listing for updated subscriber list information is presumptively reasonable. ¶ 92. In setting these rates, the Commission believed that for “most carriers” a rate of \$0.04 per listing price would enable carriers “to recover their incremental costs for providing base file subscriber list information to directory publishers plus reasonable contributions to common costs and overhead.” ¶ 95-96. The FCC also believed that establishing these presumptively reasonable rates would reduce regulatory and litigation costs to carriers, independent directory publishers, and the Commission. ¶ 105.

Unfortunately, for many small and rural telephone companies, the FCC’s \$0.04 per subscriber list rate fails not only to recover the incremental cost for these companies, but also fails to provide for any contribution to overheads and common costs for providing subscriber list information to directory publishers. Just as distressing is the fact that the Commission’s order inadvertently created a perverse incentive for directory publishers to threaten and attempt to

coerce rural telephone companies into reducing their subscriber list rates below cost. Publishers have become so intoxicated with the FCC's ruling, that they are demanding that rural carriers refund any revenues received above 4 cents per listing dating back to February 8, 1996, the enactment of the Telecommunications Act of 1996. Unknowingly, the FCC has turned what was a respectful and cooperative environment between small carriers and directory publishers into an environment full of contempt with directory publishers using the FCC's rules to attempt to take directory listings from rural telephone companies at below cost.

II In the markets of 135 small and rural telephone companies, 41 cents per listing is the average rate for providing directory listings to directory publishers.

On October 7, 1999, NTCA issued a questionnaire to its members to gather data concerning the rates charged to directory publishers for providing subscriber list information. The questionnaire was sent to 517 rural and small telephone companies. Given their limited staffs and extremely busy schedules, within eleven days, 135 companies remarkably provided enough data to determine each company's per subscriber list rate in time to include the information in this petition for reconsideration. In the questionnaire, the companies were asked several questions including: (1) total number of subscriber listings, (2) price per subscriber listing, (3) whether rates are cost-based or market-based, (4) total amount of revenue received per year for providing directory listing information to directory publishers; and (5) how many times each company has had dispute with a directory publisher.

Of the 135 companies, 28 companies indicated that their rates are based on cost and 107 companies indicated that their rates are based on market-value. The cost-based rates range from \$0.04 - \$0.88 per subscriber listing. The market-based rates range from \$0.03 - \$1.55 per subscriber listing. The average per subscriber list rates based on cost and market-value are

\$0.36 and \$0.42, respectively. The combined cost and market average rate for all 135 companies is \$0.41 per listing. The average number of total subscriber listings for these companies is nearly 6000 subscribers, and the average total revenues received per year for providing base directory listing information to publishers is roughly \$2,500. The overwhelming majority of these companies have amicably negotiated rates with directory publishers and have never been in a legal dispute over the price per listing. These rates and their associated negotiations have spanned decades without parties finding themselves in court litigating subscriber list prices.

The FCC's recent ruling, however, has dramatically changed this cordial and cooperative environment between rural telephone companies and directory publishers. Shortly after the FCC's decision in this proceeding, directory publishers began sending threatening letters to rural carriers demanding that carriers reduce their subscriber list rates and demanding refunds for rates charged in excess of \$0.04, dating back to February 8, 1996. *See Attachment 1, Letter From Kiwi Publishing Company, Inc., dated October 20, 1999; see also Attachment 2, Letter from FDC Publishing of the Midwest, Inc., dated October 6, 1999; and Attachment 3, Letter from the Talking Phone Book dated October 13, 1999.* The Commission must put an end to this harassment and potential litigation, and set a separate presumptively reasonable rate for small and rural telephone companies so that these companies may recover their incremental cost for providing list information to directory publishers.

III The FCC recognizes that 4 cents is not enough to recover the costs for small and rural carriers to provide subscriber list information to directory publishers.

In its order, the Commission recognized that for "some smaller carriers a rate of \$0.04 per listing may not be enough to cover the costs associated with providing base file listings, since the number of listings involved could be small." ¶ 105. The FCC also indicated that it was

concerned that the rates that it deemed presumptively reasonable may not always permit a small telephone company to recover all of its incremental costs, plus a reasonable share of common costs and overheads. ¶ 102. The Commission, however, did not have the new evidence provided by small carriers as part of this petition when it incorrectly assumed that cases in which \$0.04 may not permit a small carrier to recover their costs would be “rare.” *Id.* Consequently, the Commission ruled that if a directory publisher filed a complaint against a small carrier regarding list information rates, the small carrier must then present a cost study providing credible and verifiable cost data to justify the challenged rate. The FCC held that this cost study must clearly and specifically identify and justify the following:

- A. Incremental Costs. Each specific function the carrier performs solely to provide subscriber list information to the directory publisher; and the incremental costs that the carrier incurs in performing each of the specific functions.
- B. Common Costs. The cost the carrier incurs in creating and maintaining its subscriber list information database and methods the carrier uses to allocate that cost among supported services.
- C. Overheads. Any other costs that the carrier incurs to support its provision of subscriber list information to the directory publisher; the other activities those costs support; and the methods the carrier uses to allocate those costs.
- D. Other Information. The projected average number of listings the carrier provides to directory publishers and, if applicable, to other entities in a year; the rate of return on investment and depreciation costs the carrier uses in calculating its subscriber list information rates; and any other information necessary to make clear the carrier’s costing process.

Of the 517 member companies of NTCA, the average number of access lines per company is 4,865. The average number of employees for these companies is 23. The time, energy, resources and money that it would take for a small rural telephone company to produce a cost study in the format requested by the FCC, in many cases, would far exceed the rural carrier’s

annual revenues received from directory publishers for providing the publishers with the carrier's directory listings. This is the reason why eighty percent of the 135 companies who appropriately responded to the questionnaire have never developed a cost study. Developing a cost study to determine the incremental cost to provide directory listings to publishers is simply not cost beneficial to small and rural telephone companies.

If a rural telephone company chooses to defend its rates before the FCC, the carrier must not only pay for a cost study, but also pay for attorney fees, which virtually in all cases would exceed the annual revenues received from directory publishers to each NTCA member company. Given these circumstances, it is no wonder why directory publishers are using the FCC's ruling in an attempt to arguably extort directory listings from rural carriers. The FCC never intended for its ruling to result in this type of harm to small and rural carriers. Consequently, the only way to end the harassing behavior being perpetrated by directory publishers on small carriers is to amend the Commission's rules to allow for a separate presumptively reasonable per subscriber list rate for small and rural telephone companies.

IV Based on new evidence, the FCC should reconsider and amend its rules to include a \$0.42 presumptively reasonable per subscriber listing rate for small and rural telephone companies.

The new evidence provided in this petition for reconsideration demonstrates clearly that a \$0.04 per subscriber list rate does not permit many small and rural telephone companies to recover their incremental cost of providing subscriber list information to directory publishers. The FCC, therefore, should reconsider and amend its rules to include a separate presumptively reasonable per subscriber list rate for these companies. Based on the new evidence, NTCA recommends that the FCC amend its rules to include a \$0.42 presumptively reasonable per

subscriber list rate for small and rural telephone companies.

In the Commission's Third Report and Order, it did not conduct an elaborate ratemaking proceeding to determine what presumptively reasonable subscriber list rates would be for the remaining regional Bell operating companies ("RBOCs"). The FCC's rates for the RBOCs are based on the letters submitted by these companies. In these letters the carriers referenced cost studies submitted to various state commissions in the years 1988, 1993, 1996, and 1999. The average for all five carriers was approximately \$0.035 per listing. The FCC noted that some of the cost data provided by the RBOCs did not provide for contributions to common costs and overheads. Moreover, the actual cost studies were never submitted to the FCC for review. Nonetheless, the FCC relied on the data and information contained in these letters, and the comments submitted parties, to adopt as presumptively reasonable \$0.04 per listing rate for base file subscriber list information and \$0.06 per listing for updated subscriber list information for the RBOCs. ¶ 93-96.

Twenty-eight small and rural carriers have provided subscriber list rates based on cost studies which yield an average rate of \$0.36 per subscriber listing. Some of the cost data relied on by these carriers, like the RBOC cost data, did not provide for contributions to common costs and overheads. In addition, one hundred and six carriers have provided NTCA with subscriber list rates based on market-value which yield an average rate of \$0.42 per subscriber listing. This evidence demonstrates that the average market-based rate is slightly higher than the average cost-based rate being charge by small and rural telephone companies. This slightly higher market rate suggests that the market may be accounting for carrier contributions to common costs and overheads.

Based on this evidence, and applying the standards used by the Commission to establish the presumptively reasonable rates for the RBOCs, the Commission should reconsider and amend its rules to allow small and rural carriers a \$0.42 presumptively reasonable subscriber list rate for both base list and updated list information.³ A \$0.42 subscriber list information rate will allow many small and rural telephone companies to recover their incremental costs of providing subscriber list information to directory publishers plus allow a reasonable allocation for common costs and overheads. ¶ 92.

Furthermore, the evidence shows that the 135 companies that provided data and information concerning their subscriber list rates have, on average, approximately 6000 subscribers and have provided their subscriber listings to directory publishers without controversy for decades. The lack of litigation between small carriers and directory publishers suggests that publishers that have purchased their listings from small and rural telephone companies have considered the rates just and reasonable.

NTCA is aware that there are some small carriers that are currently charging more than \$0.42 per subscriber listing. In the event that a directory publisher challenges a small carrier's rate which is higher than \$0.42, NTCA recommends that the Commission apply its current rules which would require the carrier to provide credible and verifiable cost data justifying higher rates.

Allowing for a presumptively reasonable \$0.42 per subscriber list rate of rural telephone companies will allow for the continued development of a competitive directory publishing

³ The responses to NTCA's questionnaire indicates that the majority of directory publishers do not request updates from small carriers during the year. Publishers typically request base list information from small and rural telephone companies on an annual basis.

market in rural America, while fairly compensating rural carriers for the subscriber list information they provide to publishers. The \$0.42 rate will also minimize the number of threatening letters sent by directory publishers in an attempt to take directory listings from rural telephone companies at a \$0.04 price which for many companies is below cost. Lastly, the rate will significantly reduce the regulatory and litigation costs to small and rural carriers, directory publishers, and the Commission, which was one of the major goals that the FCC strived to accomplish when it issued its Third Report and Order.

V Conclusion

Based on the new evidence provided herein, NTCA urges the Commission to reconsider its decision and amend its rules to allow small and rural telephone companies a \$0.42 presumptively reasonable subscriber list rate for both base list and updated list information.

Respectfully submitted,

NATIONAL TELEPHONE COOPERATIVE
ASSOCIATION

By: *L. Marie Guillory*
L. Marie Guillory
(703) 351-2021

By: *Daniel Mitchell*
Daniel Mitchell
(703) 351-2016

Its Attorneys

4121 Wilson Boulevard, 10th Floor
Arlington, VA 22203

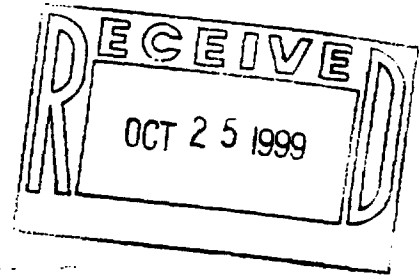
November 4, 1999



Kiwi Publishing Company, Inc.
P O Box 1757
St George, UT 84771
435 628-6286

October 20, 1999

Alan Torgersen
South Central Telephone Co
P O Box 555
Escalante, UT 84726



VIA CERTIFIED MAIL

Dear Mr. Torgersen:

The Federal Communications Commission ("FCC") adopted rules on August 23, 1999, implementing Section 222(e) of the Telecommunications Act of 1996. See In re Implementation of the Telecommunications Act of 1996: Telecommunications Carriers' Use of Customer Proprietary Network Information and Other Customer Information, CC Docket No. 96-115, Third Report and Order, FCC 99-227 (released Sept. 9, 1999) ("Order"). Section 222(e) has been effective since its enactment in 1996. However, these rules clarify some of the obligations imposed on local exchange carriers by Section 222(e). For example, the Order clarifies that a "reasonable" price for SLI must be based on carrier's costs to provide the SLI to publishers and established presumptively reasonable benchmark rates of four cents (\$0.04) per listing for base file SLI and six cents (\$0.06) per listing for updated SLI. Order, at par. 72 and par. 92.

We assume that you are immediately taking steps to amend your listing service offerings and prices to ensure full compliance with the FCC's rules on their effective date. In order to assist you in achieving full compliance on the effective date, we have outlined our expectations under the new rules. The rules require, at a minimum, the following revisions to your current service offerings and prices:

- Provision of base file SLI at the FCC's presumptively reasonable benchmark price of four cents (\$0.04) per listing (or other cost-based rate), regardless of the format in which Kiwi Publishing Company Inc ("KIWI") intends to publish the SLI and regardless of the number of times KIWI intends to publish the SLI;
- Provision of updated SLI at the FCC's presumptively reasonable benchmark price of six cents (\$0.06) per listing (or other cost-based rate), regardless of the format in

which KIWI intends to publish the SLI and regardless of the number of times KIWI intends to publish the SLI;

- Provision of SLI, including updated SLI, on the date specified by KIWI, provided we have given your company at least thirty (30) days advance notice and your company's internal systems permit the request to be filled within that time frame. Order, at par. 62;
- Provision of unbundled SLI, including updated SLI, on any basis requested by KIWI, to the extent that your company's internal systems can accommodate the requested level of unbundling. Order, at par. 63;
- Provision of SLI, including updated SLI, on any periodic basis requested by KIWI, to the extent that your company's internal systems can accommodate the requested delivery schedule. Order, at par. 64;
- Advisement to KIWI, within thirty (30) days of our request, if your company's internal systems cannot accommodate the delivery schedule, format, or level of unbundling requested and description, format, and level of unbundling that can be accommodated. Order, at par. 66 and par. 109.

In addition, the Order states that Section 222(e) does not require carriers to provide the names or addresses of subscribers with unlisted or unpublished numbers. However, carriers are not prohibited from providing such information to independent publishers. Moreover, the Order states that a carrier may be engaged in a practice that is unreasonable and/or unreasonably discriminatory under the Communications Act if it provides such information to its own, but not competing, publishers. Order at para. 41. If your company provides such information to its own directory publishing affiliate(s), we believe that your company is required to provide this information to KIWI on a highly confidential basis for use solely to deliver directories.

We have been a listings customer of yours in the past and hope to continue this relationship into the future. However, our consistent belief has been that your company has not offered SLI under reasonable and nondiscriminatory rates, terms, and conditions as required by Section 222(e). Once you have had an opportunity to revise your service offerings and prices, we would like to execute a new agreement to purchase an annual base file as well as monthly updates in the geographic areas displayed in Appendix A through E.

We did make an initial request for listings to be received at our office no later than November 15, 1999 and expect our request to be honored and full compliance of the recent Order.

Because of the importance of SLI to our business, we ask that you confirm, in writing, your company's intention to fully comply with the FCC's rules on or before October 29, 1999. Confirmation of your intention to comply with the FCC's rules and policies will be seen as evidence of your desire to enhance the vendor-customer relationship between our companies

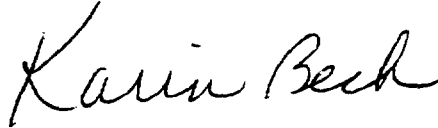
Kiwi Publishing Company, Inc.

435 628-6286 800 868-5494 fax 435 628-6996

will be deeply appreciated. In addition, we would like to discuss with you the amount of the refund due to our company for the purchase of listings in excess of the reasonable cost-based prices mandated by Section 222(e) since February 8, 1996, the date on which this provision took effect.

I look forward to receiving your response. Should you have any questions, please do not hesitate to contact me at 435 628-6286.

Sincerely,
Kiwi Publishing Company, Inc.

A handwritten signature in cursive script that reads "Karin Beck".

Karin Beck
Data Manager

F.D.C. PUBLISHING OF THE MIDWEST, INC.

Markets Area Regional - North Platte-McCook Area Regional-Midwest Park/Hallam/Eastern Wyoming Area Regional -Northeast Colorado Area Regional -Sandhills Area Regional -Yankton Area Regional

P.O. Box, 1415 - Columbus, NE 68602
402-564-7045 / 1-800-828-1022 / Fax 402-564-9736

October 6, 1999

Wiggins Telephone Association
414 Main
PO Box 248
Wiggins, CO 80654

Dear General Manager

The Federal Communications Commission ("FCC") adopted rules on August 23, 1999, implementing Section 222(e) of the Telecommunications Act of 1996: See In re Implementation of the Telecommunications Act of 1996: Telecommunications Carriers' Use of Customer Proprietary Network Information and Other Customer Information, CC Docket No. 96-115, Third Report and Order, FCC 99-227 (released Sept. 9, 1999)("Order"). Section 222(e) has been effective since its enactment in 1996. However, these rules clarify some of the obligations imposed on local exchange carriers by Section 222(e). For example, the Order clarifies that a "reasonable" price for SLI must be based on the carrier's costs to provide the SLI to publishers and establishes presumptively reasonable benchmark rates of four cents (\$0.04) per listing for basefile SLI and six cents (\$0.06) per listing for updated SLI. Order, at ¶ 72 and ¶ 92.

We assume that you are immediately taking steps to amend your listing service offerings and prices to ensure full compliance with the FCC's rules on their effective date. In order to assist you in achieving full compliance on the effective date, we have outlined our expectations under the new rules. The rules require, at a minimum, the following revisions to your current service offerings and prices:

- provision of basefile SLI at the FCC's presumptively reasonable benchmark price of four cents (\$0.04) per listing (or other cost-based rate), regardless of the format in which FDC Publishing Of the Midwest, Inc intends to publish the SLI and regardless of the number of times FDC Publishing Of the Midwest, Inc intends to publish the SLI;
- provision of updated SLI at the FCC's presumptively reasonable benchmark price of six cents (\$0.06) per listing (or other cost-based rate), regardless of the format in which FDC Publishing Of the Midwest, Inc intends to publish the SLI and regardless of the number of times FDC Publishing Of the Midwest, Inc intends to publish the SLI;
- provision of SLI, including updated SLI, on the date specified by FDC Publishing Of the Midwest, Inc, provided we have given your company at least thirty (30) days advance notice and your company's internal systems permit the request to be filled within that time frame. Order, at ¶ 62;

- provision of unbundled SLI , including updated SLI, on any basis requested by FDC Publishing Of the Midwest, Inc, to the extent that your company's internal systems can accommodate the requested level of unbundling. Order, at ¶ 63;
- provision of SLI, including updated SLI, on any periodic basis requested by FDC Publishing Of the Midwest, Inc, to the extent that your company's internal systems can accommodate the requested delivery schedule. Order, at ¶ 64;
- advisement to FDC Publishing Of the Midwest, Inc, within thirty (30) days of our request, if your company's internal systems cannot accommodate the delivery schedule, format, or level of unbundling requested and a description of the delivery schedule, format, and level of unbundling that can be accommodated. Order, at ¶ 66 and ¶ 109.

In addition, the Order states that Section 222(e) does not require carriers to provide the names or addresses of subscribers with unlisted or unpublished numbers. However, carriers are not prohibited from providing such information to independent publishers. Moreover, the Order states that a carrier may be engaged in a practice that is unreasonable and/or unreasonably discriminatory under the Communications Act if it provides such information to its own, but not competing, publishers. Order, at ¶ 41. If your company provides such information to its own directory publishing affiliate(s), we believe that your company is required to provide this information to FDC Publishing Of The Midwest, Inc on a highly confidential basis for use solely to deliver directories.

Due to our consistent belief that your company has not offered SLI under reasonable and nondiscriminatory rates, terms, and conditions as required by Section 222(e), FDC Publishing of the Midwest, Inc has not purchased listings from your company. However, the FCC's Order convinces us that the time has come to become a listings customer of your company. Once you have had an opportunity to revise your service offerings and prices, we would like to execute an agreement to purchase an annual base file by name, address, and telephone number in the following geographic areas:

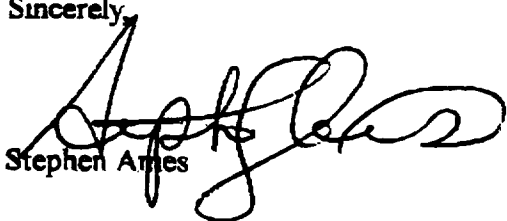
Briggsdale, Grover, New Raymer, Roggen, Stoneham, Wiggins, Willard.

Because of the importance of SLI to our business, we ask that you confirm, in writing, your company's intention to fully comply with the FCC's rules on or before October 20, 1999. Confirmation of your intention to comply with the FCC's rules and policies will be seen as evidence of your desire to enhance the vendor-customer relationship between our companies and will be deeply appreciated.

I look forward to receiving your response. Should you have any questions, please do not hesitate to contact me at (402) 564- 7045.

Sincerely,

Stephen Ames



THE TALKING PHONE BOOK.

☐ WHITE DIRECTORY PUBLISHERS, INC.
☒ WHITE DIRECTORY OF CAROLINA, INC.
☐ WHITE DIRECTORY OF FLORIDA, INC.
☐ WHITE DIRECTORY OF PENNSYLVANIA, INC.
☐ ITD PUBLISHERS, INC.
 c/o White Directory Publishers, Inc.
 1945 Sheridan Dr., Buffalo, New York 14223

October 13, 1999

Jim Wilder
 Piedmont Rural Telephone
 201 Anderson Dr.
 Laurens, SC 29360

VIA CERTIFIED MAIL

Dear Jim:

The Federal Communications Commission ("FCC") adopted rules on August 23, 1999, implementing Section 222(c) of the Telecommunications Act of 1996. See In re Implementation of the Telecommunications Act of 1996: Telecommunication Carriers' Use of Customer Proprietary Network Information and Other Customer Information, CC Docket No. 96-115, Third Report and Order, FCC 99-227 (released Sept. 9, 1999) ("Order"). Section 222(c) has been effective since its enactment in 1996. However, these rules clarify some of the obligations imposed on local exchange carriers by Section 222(c). For example, the Order clarifies that a "reasonable" price for SLI must be based on the carrier's costs to provide the SLI to publishers and establishes presumptively reasonable benchmark rates of four cents (\$0.04) per listing for basefile SLI and six cents (\$0.06) per listing for updated SLI. Order, at ¶ 72 and ¶ 92.

We assume that you are immediately taking steps to amend your listing service offerings and prices to ensure full compliance with the FCC's rules on their effective date. In order to assist you in achieving full compliance on the effective date, we have outlined our expectations under the new rules. The rules require, at a minimum, the following revisions to your current service offering and prices:

- provision of basefile SLI at the FCC's presumptively reasonable benchmark price of four cents (\$0.04) per listing (or other cost-based rate), regardless of the format in which White Directory of Carolina, Inc. ("White") intends to publish the SLI and regardless of the number of times White intends to publish the SLI;
- provision of updated SLI at the FCC's presumptively reasonable benchmark price of six cents (\$0.06) per listing (or other cost-based rate), regardless of the format in which White intends to publish the SLI and regardless of the number of times White intends to publish the SLI;
- provision of SLI, including updated SLI, on the date specified by White, provided we have given your company at least thirty (30) days advance notice and your company's internal systems permit the request to be filled within that time frame. Order, at ¶ 62;
- provision of unbundled SLI, including updated SLI, on any basis requested by White, to the extent that your company's internal systems can accommodate the requested level of unbundling. Order, at ¶ 63;

(716) 875-9100 ext.: 185

Fax: (716) 871-1726 EMail:cdzaak@talkingphonebook.com Website: www.talkingphonebook.com

- provision of SLI, including updated SLI, on any periodic basis requested by White, to the extent that your company's internal systems can accommodate the requested delivery schedule. Order, at ¶ 64;
- advisement to White, within thirty (30) days of our request, if your company's internal systems cannot accommodate the delivery schedule, format, or level of unbundling requested and a description of the delivery schedule, format, and level of unbundling that can be accommodated. Order, at ¶ 66 and ¶ 109.

Due to our consistent belief that your company has not offered SLI under reasonable and nondiscriminatory rates, terms, and conditions as required by Section 222(c), White has not purchased listings from your company. However, the FCC's Order convinces us that the time has come to become a listings customer of your company. Once you have had an opportunity to revise your service offerings and prices, we would like to execute an agreement to purchase an annual base file as well as weekly updates in the following geographic areas:

Area Code -- 864
Prefixes - 969
Locality - Enorce

While we do not need to purchase base file listings at this time, we would like to begin purchasing updated listings as soon as possible on a weekly basis. We require only business updated listings. As indicated above, we would like to receive this information by locale or directory.

In addition, the Order states that Section 222(c) does not require carriers to provide the names or addresses of subscribers with unlisted or unpublished numbers. However, carriers are not prohibited from providing such information to independent publishers. Moreover, the Order states that a carrier may be engaged in a practice that is unreasonable and/or unreasonable discriminatory under the Communications Act if it provides such information to its own, but not competing, publishers. Order, ¶ 41. If your company provides such information to its own directory publishing affiliate(s), we believe that your company is required to provide this information to White on a highly confidential basis for use solely to deliver directories.

Because of the importance of SLI to our business, we ask that you confirm, in writing, your company's intention to fully comply with the FCC's rules on or before October 27, 1999. Confirmation of your intention to comply with the FCC's rules and policies will be seen as evidence of your desire to enhance the vendor-customer relationship between our companies and will be deeply appreciated.

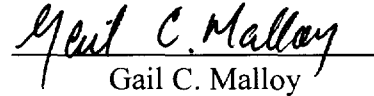
I look forward to receiving your response. Should you have any questions, please do not hesitate to contact me at (716)875-9100 ext:185.

Sincerely,

Colleen Dzaak
 Listing Procurement Specialist

CERTIFICATE OF SERVICE

I, Gail C. Malloy, certify that a copy of the foregoing Petition for Reconsideration of the National Telephone Cooperative Association in CC Docket No. 96-115, FCC 99-227 was served on this 4th day of November 1999 by first-class, U.S. Mail, postage prepaid, to the following persons on the attached list:


Gail C. Malloy

Chairman William E. Kennard
Federal Communications Commission
445 12th Street , SW, Room 8-B201
Washington, D.C. 20554

Commissioner Michael Powell
Federal Communications Commission
445 12th Street , SW, Room 8-A204
Washington, D.C. 20554

Commissioner Harold W. Furchtgott-Roth
Federal Communications Commission
445 12th Street , SW, Room 8-A302
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